FORM 3

AMENDED REPORT ☑

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL

	1. WELL NAME and NUMBER GREENTOWN 32-42-1A S
2. TYPE OF WORK DRILL NEW WELL ◉ REENTER P&A WELL ○ DEEPEN WELL ○	**3. FIELD OR WILDCAT** GREENTOWN
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO	**5. UNIT or COMMUNITIZATION AGREEMENT NAME** GREENTOWN
6. NAME OF OPERATOR PACIFIC ENERGY & MINING COMPANY	**7. OPERATOR PHONE** 775 240-0769
8. ADDRESS OF OPERATOR P.O. Box 18148, Reno, NV, 89511	**9. OPERATOR E-MAIL** taroil@yahoo.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) ML 49122	**11. MINERAL OWNERSHIP** FEDERAL ○ INDIAN ○ STATE ◉ FEE ○
	12. SURFACE OWNERSHIP FEDERAL ○ INDIAN ○ STATE ◉ FEE ○
13. NAME OF SURFACE OWNER (if box 12 = 'fee')	**14. SURFACE OWNER PHONE (if box 12 = 'fee')**
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')	**16. SURFACE OWNER E-MAIL (if box 12 = 'fee')**
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')	**18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS** YES ○ (Submit Commingling Application) NO ◉
	19. SLANT VERTICAL ◉ DIRECTIONAL ○ HORIZONTAL ○

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	2190 FNL 1109 FEL	SENE	32	22.0 S	17.0 E	S
Top of Uppermost Producing Zone	2190 FNL 1109 FEL	SENE	32	22.0 S	17.0 E	S
At Total Depth	2190 FNL 1109 FEL	SENE	32	22.0 S	17.0 E	S

21. COUNTY GRAND	**22. DISTANCE TO NEAREST LEASE LINE (Feet)** 1109	**23. NUMBER OF ACRES IN DRILLING UNIT** 640
	25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 40	**26. PROPOSED DEPTH** MD: 9200 TVD: 9200
27. ELEVATION - GROUND LEVEL 4340	**28. BOND NUMBER** 41911	**29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE** City of Greenriver

Hole, Casing, and Cement Information

String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
PROD	7.875	5.5	5020 - 9200	26.0	P-110 LT&C	17.0	Halliburton Light , Type Unknown	140	1.52	13.5
							Class G	110	1.52	15.8

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	☑ COMPLETE DRILLING PLAN
☐ AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	☐ FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	☑ TOPOGRAPHICAL MAP

NAME Tariq Ahmad	**TITLE** Petroleum Engineer	**PHONE** 775 852-7444
SIGNATURE	**DATE** 08/15/2016	**EMAIL** taroil@yahoo.com

API NUMBER ASSIGNED 43019500790000 **APPROVAL**

Received: August 16, 2016

DRILLING PROGRAM

TIGHT HOLE STATUS

Attached to UDOGM Form 3
Pacific Energy & Mining Company
Greentown State 32-42 1A Sidetrack
SE/4NE/4, Sec 32, T22S, R17E, SLB&M
2190 FNL 1109 FEL
Grand County, Utah

1. The Geologic Surface Formation

	TVD	Subsea
Mancos	0’	4282’

2. Estimated Tops of Important Geologic Markers

	TVD	Subsea
Mancos	0’	4282’
Dakota	390’	3892’
Cedar Mtn	530’	3752’
Morrison	670’	3612’
Salt Wash	900’	3382’

3. Projected Gas & Water Zones

		TVD	Subsea
Manco	Gas	0’	4344’
Dakota	Gas/Oil	390’	3818’
Cedar Mtn	Water	998’	3346
Paradox Salt	Oil/Gas/Water	5120’	-776

Water encountered will be reported on a Form 7 “Report of Water Encountered During Drilling”.
Casing & cementing will be done to protect all fresh water zones, potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 1500 psi for 15 minutes. Pressure drop is not to exceed 150 psi.

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4. The Proposed Casing and Cementing Programs

Casing Program

Hole Size	Setting Depth	Size (OD)	Weight, Grade & Joint	Condition
20	40	20	65# J-55 & ST&C	New
17 1/2	1216	10 3/4	40.5 # J – 55 ST&C	New
9 1/2	1,922	7 5/8	26 # P-110 LT& C	New
6 3 /4	9,200	5 ½	26 # P-110 LT&C	New*

Sidetrack from 1950 approximately 40 feet Directly north of existing wellbore than drill vertical to TD using directional Drilling

Cement Program

Production

Lead: 294 SX Nitrogen Foam
Weight: 13.5#/gal
Yield: 1.52 cu ft/sx

Tail: 231 SX Class G
Weight: 15.8#/gal
Yield: 1.52 cu ft/sx

The following shall be entered in the driller's log:

1) Blowout preventer pressure tests, including test pressures and results;
2) Blowout preventer tests for proper functioning;
3) Blowout prevention drills conducted;
4) Casing run, including size, grade, weight, and depth set;
5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc;
6) Waiting on cement time for each casing string;
7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator' Minimum Specifications for Pressure Control

Sidetrack to TD

Ram Type: 11" Hydraulic double ram with annular, 5000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for a t least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a

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decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure, Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

a. when initially installed;
b. whenever any seal subject to test pressure is broken
c. following related repairs: and
d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventer (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consisted with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling and will remain use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

Division of Oil Gas & Mining shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a DOGM representative on location during pressure test.

a. The size and rating of the BOP stack is shown on the attached diagram.
b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

6. the Type and Characteristics of the Proposed Circulating Muds

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Depth	Type	Weight	Vis	Water Loss
1900-9200	LSND	+/- 8.5-14.0	+/- 60-70	+/- 1

Mud monitoring equipment to be used is as follows: Periodic checks of the mud system will be made each tour. The mud level will be checked visually.

1. There will be sufficient mud on location to ensure well control.
2. A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and Ph.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

7. The Testing, Logging and Coring Programs are as follows:

Testing – DST's are not planned, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

Logging – Will consist of a DIL/CNL/LDT/GR/SP from TD to the 2000 feet.
Coring - No coring is planned for this location

The maximum expected bottom hole pressure is 6,700 psi (pressure gradient of .72 psi/ft). This was based on maximum mud weights used in the 32-421A well.

Hydrogen sulfide gas is not anticipated; no abnormal pressure or temperatures are anticipated.

8. Anticipated Starting Date and Duration of the Operations.

The well will be sidetracked during January 1, 2017 (as soon as permit is approved.)

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

a) Prior to beginning construction;
b) Prior to spudding;
c) Prior running any casing or BOP tests;
d) Prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

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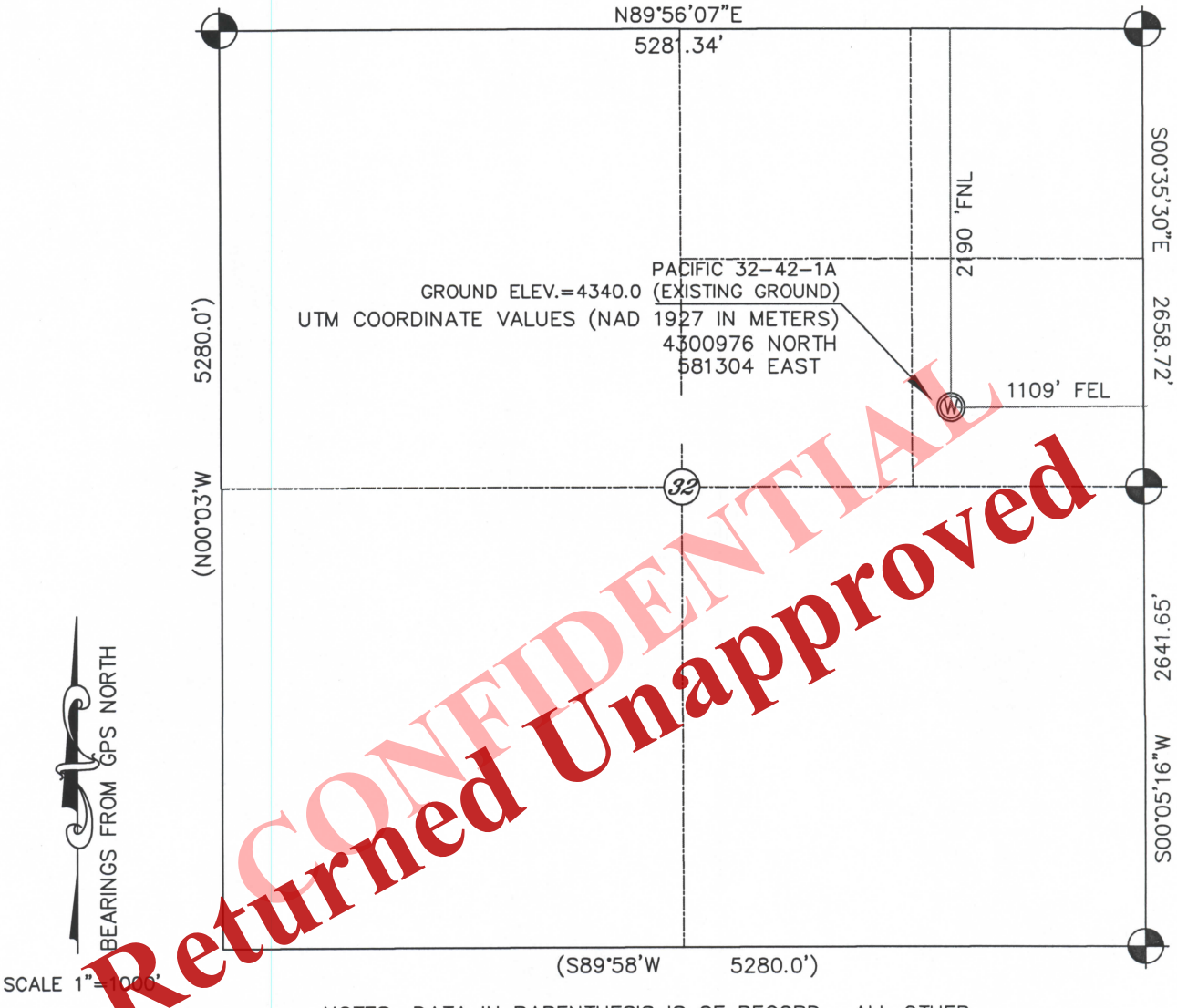
SECTION 32, T 22 S, R 17 E, SLM



NOTES: DATA IN PARENTHESIS IS OF RECORD. ALL OTHER DATA IS SURVEYED DATA.

ELEVATIONS ARE DERIVED FROM A 2 HOUR OPUS OBSERVATION.

LEGEND

- FOUND GOVERNMENT AND/OR PRIVATE RECTANGULAR SURVEY CORNER
- (W) SET SPIKE WITH LATH AT PROPOSED WELL LOCATION

REGISTERED LAND SURVEYOR No171004 TIMOTHY M. KEOGH STATE OF UTAH

TIMOTHY M. KEOGH

JANUARY 18, 2013
DATE

KEOGH LAND SURVEYING
45 EAST CENTER STREET MOAB, UTAH, 84532

A SURVEY OF

PACIFIC 32-42-1A

WITHIN SECTION 32, T 22 S, R 17 E, SLM, GRAND COUNTY, UTAH

PREPARED FOR

PACIFIC ENERGY & MINING

DATE: 1-18-13	DRAWN BY: TMK	CHECKED BY: TMK
SCALE: 1"=1000'	F.B.# TDC1	FIDELITY.DWG

Received: August 15, 2016

Multipoint Surface Use Plan

Attached to UDOGM Form 3
Pacific Energy & Mining Company
State 32-42-1A
SE/4NE/4,Sec. 32, T22S, R17E, SLB&M
2190 FNL 1109 FEL
Grand County, Utah

1. Existing Roads & Planned Access

Existing road to the Green Town State #32-42 Well Pad will be used. No new construction will be made.

2. Location of Existing Wells.

a. See Exhibit "B" Topographic Map C.

3. Location and Type of Water Supply

a. Water to be used for drilling will be obtained from the City of Green River or Water Shares from the local farmers and ranchers. Water acquisition will be verified prior to any construction or drilling.
b. Water will be transported by truck over approved access roads.
c. No water well is to be drilled for this location.

4. Source of Construction Materials

a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
b. No construction or surfacing materials will be taken from Federal/Indian land.
c. Existing Well Pad will be used.

5. Methods for handling waste disposal

a. The existing reserve pit will be reopened and used. The pit may be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.

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d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

6. Ancillary Facilities

a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

7. Well-site Layout

a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Exhibit "C"

b. A blooie pit will be located at a minimum of 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie it will not be lined, but will be fenced on four sides to protect livestock/wildlife.

c. Access to the well pad will be as shown on Exhibit "B" Topographic Map "A" and "B".

d. Natural runoff will be diverted around the well pad.

8. Plans for restoration of Surface

a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.

b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.

c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.

e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

9. Surface Ownership

a. The well-site and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, Salt Lake City, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas Mining 48 hours prior to beginning construction activities.

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10. Other Information

a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is approximately 7 miles South. Nearest live water is in Green River, 4 miles West.

b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.

c. The back-slope and fore-slope will be constructed no steeper than 3:1.

d. All equipment and vehicles will be confined to the access road and well pad.

e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and /or workover program without prior approval from the Division of Oil, Gas & Mining.

11. **Company Representative**
Dan Green
Pacific Energy & Mining Company
3550 Barron Way #13a
Reno, NV 89511
1-775-333-6626

Excavating Contractor
S&S Construction
50 N. Walnut Ave.
PO Box 480
Green River, Utah 84525
(435) 564-3291

Mail Approved A.P.D. To:
Company Representative

Received: August 15, 2016

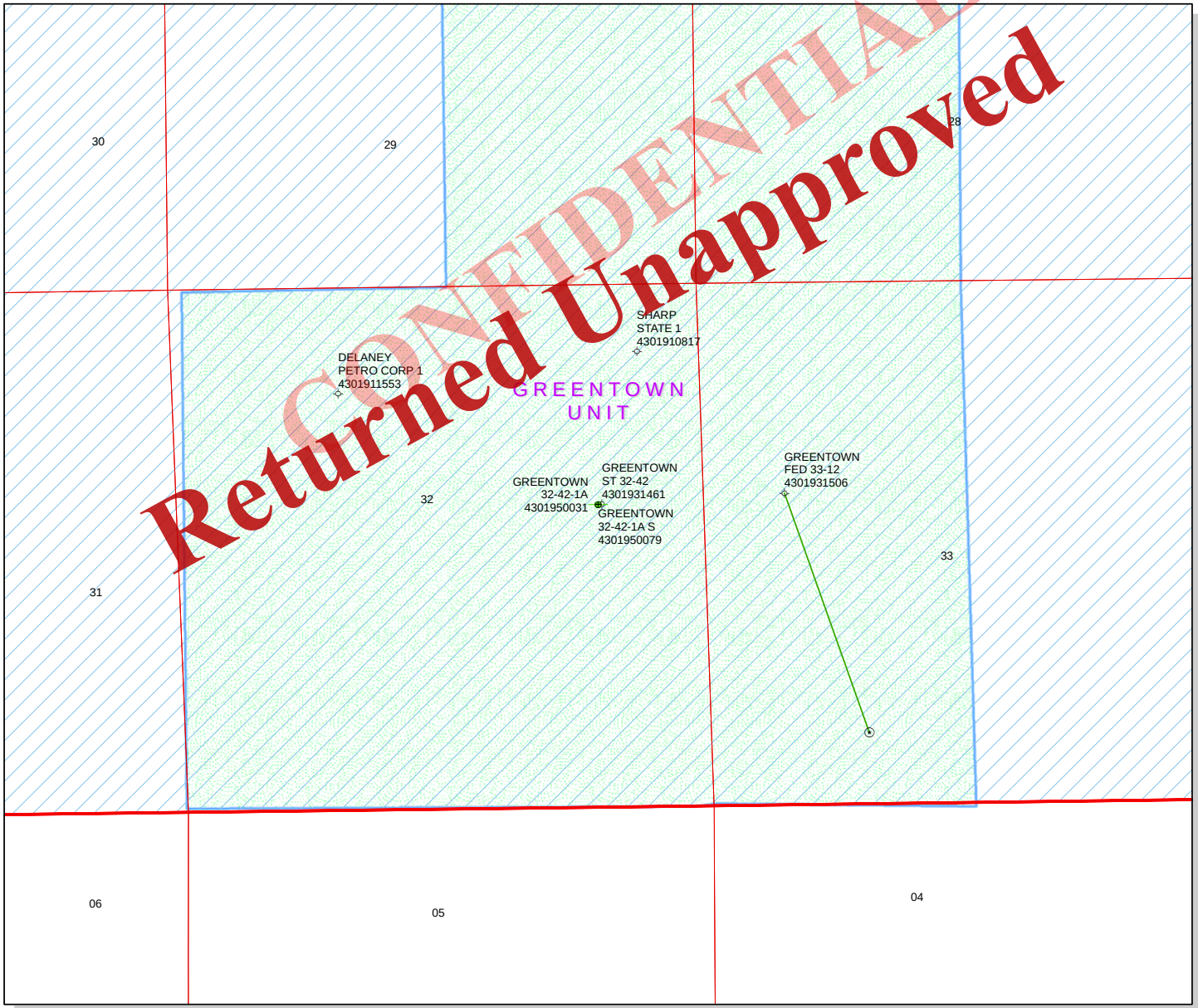
12. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Pacific Energy & Mining Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Dated: August 15, 2016

Tariq Ahmad
Petroleum Engineer
Pacific Energy & Mining Company

Received: August 15, 2016



API Number: 4301950079

Well Name: GREENTOWN 32-42-1A S

Township: T22.0S Range: R17.0E Section: 32 Meridian: S

Operator: PACIFIC ENERGY & MINING COMPANY

Map Prepared: 8/16/2016
Map Produced by Diana Mason

Wells Query

Status

- APD - Aproved Permit
- DRL - Spuded (Drilling Commenced)
- GIW - Gas Injection
- GS - Gas Storage
- LOC - New Location
- OPS - Operation Suspended
- PA - Plugged Abandoned
- PGW - Producing Gas Well
- POW - Producing Oil Well
- SGW - Shut-in Gas Well
- SOW - Shut-in Oil Well
- TA - Temp. Abandoned
- TW - Test Well
- WDW - Water Disposal
- WIW - Water Injection Well
- WSW - Water Supply Well

Units

STATUS

- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields

STATUS

- Unknown
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- STORAGE
- TERMINATED

1,250 625 0 1,250 Feet

1:12,470

Received: August 16, 2016

PACIFIC ENERGY & MINING CO

August 16, 2016

State of Utah
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah

Attn: Diana Whitney

Subject: Exception Location Letter
Greentown State 32-42-1A ST
Section 32, T22S R17E
Grand County, Utah

Dear Diana:

We are proposing to drill the above referenced well at the following location

2190 FNL 1109 FEL

This new well is located approximately 20 feet Southwest of the Greentown State 32-42 well located at the following:

2190 FNL 1068 FEL

The existing well was plugged and abandoned due to casing collapse. The replacement well is 40 feet directly east of the plugged well. Pacific Energy and its Working Interest owners are the only owners within 460 foot radius.

We hereby request an exception to the well location, we will be utilizing the same well pad, so no new disturbance will made.

Sincerely,

Tariq Ahmad
Petroleum Engineer

PO BOX 18148, RENO, NEVADA 89511 PH 775 852 7444 FAX 775 333 0225
www.pemc.us

Received: August 16, 2016

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

August 18, 2016

PACIFIC ENERGY & MINING
COMPANY
P.O. Box 18148
Reno, NV 89511

Re: Application for Permit to Drill - GRAND County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the GREENTOWN 32-42-1A S well, API 43019500790000 that was submitted August 15, 2016 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason
Environmental Scientist

Enclosure
cc: Bureau of Land Management, Vernal, Utah